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CLERK, U.S. DIST. COURT  
MINNEAPOLIS, MN

IN THE UNITED STATES DISTRICT COURT FOR THE  
DISTRICT OF MINNESOTA

Pay Child Support Online Inc,

Plaintiff,

V.

Affiliated Computer Services (ACS) Inc &  
ACS State & Local Solutions, Inc., et al

Defendant.

CIVIL ACTION NO.: 02-CV-123/  
DWF/SRN

COMPLAINT SEEKING  
DECLARATORY JUDGEMENT  
UNDER TITLE 35 OF US CODE

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GROUP 3600

COMPLAINT

Plaintiff PAY CHILD SUPPORT ONLINE INC (PCSO) for its complaint against  
Defendant ACS, ACS STATE & LOCAL SOLUTIONS, INC et al ("ACS") states and  
alleges as follows.

JURISDICTION AND VENUE

- 1) This is an action seeking declaratory judgment finding patent 6,119,107 et al  
invalid under the Patent Laws of the United States, Title 35, United States Code.
- 2) This court has jurisdiction under the provisions of 28 U.S.C. §§ 1331 and 1338(a).

- 3) Venue is proper in this jurisdiction under 28 U.S.C. §§ 1391 (B)1 and (B)2 and §§2201.

#### THE PARTIES

- 4) PCSO is a Subchapter S corporation organized under the Laws of the State of Minnesota with its principal place of business at 9000 Telford Crossing Minneapolis Minnesota 55443. PCSO operates www.Paychildsupportonline.com, a web based software application that allows businesses that are mandated to withhold child support from employees, to use the software application to originate electronic payments to the appropriate State Child Support Agency in fulfillment of their obligation. PCSO has been in operation since October 2001 and after six months of operation ending March 31, 2002 has total gross revenues of \$435.75.
- 5) Upon information and belief, ACS is a publicly held corporation organized under the laws of the State of New York. Upon information and belief, ACS State and Local Solutions is either a wholly owned subsidiary of ACS or is a subdivision thereof. ACS is marketing its version of the patent(s) subject matter at issue and can be found at www.Expertpav.com.
- 6) Upon information and belief, the President and CEO of ACS is Jeff Rich and the company's principal place of business is 2828 North Haskell, Dallas TX 75204 .
- 7) Upon information and belief, the Group President for ACS State and Local Solutions is John Brophy, who came to ACS via the acquisition of Lockheed Martin Information Management Systems (" LM IMS"). The company/division principal place of business is 300 Frank W. Burr Blvd., Teaneck, NJ 0766 with substantial operations located at 1200 K Street NW, Washington, DC 20005 and 1133 15th Street NW, 10th

Floor, Washington, DC 20005. ACS also does business in Minnesota and has existing MN job opportunities advertised on its web site, and lists Division as "State and Local Services". See ATTACHMENT 1

8) Upon information and belief, ACS is a Fortune 1000 company with more than 38,000 people in 35 countries, provides business process and information technology outsourcing solutions to commercial and government clients. The company's Class A common stock trades on the New York Stock Exchange under the symbol "ACS." ACS on the Internet is at <http://www.acs-inc.com>.

9) Upon information and belief, ACS processes 44% of all child support payments in the country, an estimated 60 million payments per year.

10) Upon information and belief, ACS has a Minnesota registered agent of CT Corporate Systems, located at 405 2<sup>nd</sup> Ave South, Mpls MN 55401. See ATTACHMENT 2

11) Upon information and belief, ACS has offices throughout the United States, including Minnesota, and engages in contracts with Local, State and Federal Agencies and has annual revenues exceeding \$3 billion.

### CONTROVERSY

12) ACS is the current holder of patent 6,119,107 ("the '107 patent") which purports to patent the process of remitting Child Support payments electronically, by debiting an employer's bank account and sending the payments to the appropriate Child Support Agency using the Child Support Application Banking Convention. A previous iteration of the patent exists as patent 5,946,669 ("the '669 patent"). Patents '107 and '669 are

attached as Exhibits A and B respectively. The inventor of both Patents is John Polk, at the time of the patent, an employee of Lockheed Martin IMS, a division of Lockheed Martin. Lockheed Martin IMS was purchased by ACS for approximately \$850 million in 2001.

13) As described herein, the PCSO web application does what the patent claims to cover.

#### **IMMINENT THREAT OF LITIGATION**

14) ACS filed suit against EFTCHILDSUPPORT.COM LLC, an Illinois Corporation, in October of 2001, Civil Action 1:CV 01-2060 in United States District Court for the Middle District of Pennsylvania. The service, [www.Eftchildsupport.com](http://www.Eftchildsupport.com), had been in operation since June of 2000. Although the court never ruled on the merits of the case, the lawsuit in Pennsylvania put them out of business effective July 31, 2002. See ATTACHMENT 3

15) Daniel King was the incorporator of PCSO and is a former officer of the Company. Mr. King is also a former employee of Tier Technologies ("Tier"), a California Corporation.

16) On March 28<sup>th</sup> of 2002, Daniel King was in Washington D.C., representing Tier and working with ACS on a proposal for an Ohio project. John Polk of ACS confronted Mr. King with information that Polk had ascertained that King was an officer of PCSO. Mr. Polk showed Mr. King a copy of the Order from the suit against EFTchildsupport.com, explained that ACS had a patent, and that EFTchildsupport.com had been infringing on that patent. As a result, eftchildsupport.com was put out of

business. Polk knew that PCSO was doing the same type of business based on private investigations and reviewing the PCSO website.

17) On May 23, 2002, PCSO contacted the State of Michigan requesting permission to send electronic payments to them. Michigan is a State that contracts with ACS to operate its Child Support Payment Operations. The Michigan ACS EFT contact person then informed John Polk of the request made on behalf of PCSO.

18) On May 24 2002, Mr. Polk informed Mr. Harry Wiggins that King was an officer of PCSO. Mr. Wiggins is Sr. Vice President of Government Operations for Tier. Prior to joining Tier in 2001, he was an executive with ACS (formerly LM IMS). Tier and ACS are normally competitors in the Child Support Payment Processing marketplace, but since Mr. Wiggins joined Tier, the two companies have entered into an agreement to go after certain large States as a "team". Some of the teaming arrangements and agreements have been made public, in the form of press releases issued by both companies on Nov. 16, 2001 (only available on Tier website [www.tier.com](http://www.tier.com).) Conversely, some teaming arrangements have not been publicly disclosed. See ATTACHMENT 4. While at Lockheed and ACS, Mr. Wiggins worked closely with John Polk, including the period of time that the Patents in question were being applied for. In furtherance of the Tier-ACS teaming arrangement, Mr. Wiggins and Mr. Polk meet and communicate regularly, if not daily.

19) Also, on May 24, 2002, Harry Wiggins emailed Mr. King 's direct superior, that Mr. King is about to be sued by ACS for patent infringement, and requested the Superior to have King resign from PCSO as soon as possible. See ATTACHMENT 5

20) On Sunday, June 9<sup>th</sup>, Mr. King sent an email to John Polk requesting pre-litigation settlement discussions. His response was to forward the request to ACS legal counsel. See ATTACHMENT 6

21) On Monday, June 10, Mr. Wiggins called Mr. King to discuss why his resignation from PCSO had not yet occurred. Wiggins suggested that if Mr. King did not resign, Tier would have to replace him. Wiggins also reiterated his knowledge that ACS was coming after PCSO sooner, rather than later. At the end of business that day, Mr. King faxed a copy of his two sentence resignation as officer of PCSO to Mr. Wiggins. See ATTACHMENT 7

22) The PCSO request for pre-litigation settlement negotiations never elicited a response from anyone representing ACS, John Polk or the ACS in-house counsel.

23) Mr. King's employment with Tier was terminated effective June 17. See ATTACHMENT 8.

24) PCSO officers believe that ACS will file suit against PCSO at any moment. PCSO also believes the only thing that may have delayed ACS from filing already are the ongoing ACS proposal processes for large contracts with States of Ohio (still in evaluation) and Illinois (still in production), of which Tier is participating as a subcontractor in furtherance of the Tier-ACS Teaming Arrangement.

25) Upon information and belief, based on the aforementioned relationship between Harry Wiggins and John Polk, Harry Wiggins has accurate knowledge and information regarding the imminent lawsuit, and John Polk is sending threats of suit via Harry Wiggins.

26) The facts stated herein have created a reasonable apprehension within PCSO that an infringement suit is imminent. This suit has been in the process of being drafted since May 24, 2002, the day King received the forwarded email from his superior, originating from John Polk and forwarded by Harry Wiggins.

**FACTS:**

**PATENT'S '669 & '107 INVALIDITY &/OR UNENFORCEABILITY**

27) PCSO incorporates by reference the allegations contained in paragraphs 1 through 26 of the Complaint as is fully set forth herein.

28) Both Patent applications were filed by John Polk, the listed inventor, then with Lockheed Martin Information Management Systems ( "LM IMS") Assignee. The first application occurring on September 30, 1997.

29) At that time, John Polk and Lockheed Martin IMS had substantial knowledge of the Child Support Industry, and developments therein regarding electronic payments.

30) When the application was applied for, Lockheed Martin had the leading market share of private Child Support Payment Processing contracts. They were heavily involved in Child Support Payment Processing in numerous states and held the company and John Polk as experts in the industry. They had knowledge of all electronic payment initiatives that were being undertaken throughout the country, including those cited herein and they purposefully and fraudulently left information out of the patent application.

31) LM IMS was operating the Iowa Child Support Payment Processing operation when the Iowa - Nebraska EFT Pilot Project report was being compiled and published.

32) In both patent applications, the earliest prior art cited with reference pertinent to Child Support operations was circa 1996.

33) In both patent applications, numerous misrepresentations were presented about the status of the child support industry, its processes and the available mechanisms for electronic payments. These misrepresentations were made in order to bolster the applicant's patent applications; including, but not limited to, the following :

i. Column 1, line 31 through 37. Applicant misrepresents to PTO that Employees of a Business/Employer are able to provide input as to how the Employer sends employees' income-withheld Child Support monies to State Child Support Agencies. In fact, employees have no input as to the method an employer chooses to comply with income withholding orders issued by State Child Support Agencies.

ii. Column 1 line 47 through 62. Applicant misrepresents how a credit-based transaction occurs. A credit-based transaction from an employer involves no debits to an employer's account. This is written to confuse and mislead the PTO.

iii. Column 2 line 1 through 63. Applicant misrepresents the existing processes, the ACH network, the available formats and is entirely contradictory to the truth. This is, again, intended to misrepresent the existing art and industry standards, is purposefully and fraudulently excluded from citation or reference, and written to confuse and mislead the PTO.

34) Prior art pertinent to Child Support that John Polk and LM IMS knew existed at the time but purposefully and fraudulently chose not to cite are:



- EFT PILOT PROJECT DESIGN FOR NEBRASKA, THE IOWA-NEBRASKA ELECTRONIC FUNDS TRANSFER PROJECT, Transfirst Corporation under contract to Policy Studies Inc, September 1988; See Exhibit C
  - EFT PILOT PROJECT DESIGN FOR IOWA, THE IOWA-NEBRASKA ELECTRONIC FUNDS TRANSFER PROJECT, Transfirst Corporation under contract to Policy Studies Inc, September 1988 See Exhibit D
  - IMPLEMENTING A CHILD SUPPORT PAYMENT CENTER, Policy Studies Inc., January 1991; See Exhibit E
  - THE EMPLOYER DIRECT DEPOSIT PILOT OF THE IOWA/NEBRASKA EFT PROJECT, Policy Studies Inc, June 1992. See Exhibit F
  - ELECTRONIC FUNDS TRANSFER PROJECT – FINAL REPORT, Washington State Department of Social & Health Services, Economic Services Administration, Division of Child Support, October 1994; See Exhibit G
- 35) The Child Support Application Banking Convention was adopted by the National Automated Clearing House Association (NACHA) and Data Interchange Standards Association (DISA) in 1993, as a result of numerous pilots, studies, projects, and workgroups. It was developed by NACHA and The Federal Office of Child Support Enforcement to create a National Standard by which Child Support Payments could be transferred, throughout the country, using the ACH Network. This standard allows for uniformity in electronic Income Withholding payments and electronic Interstate Agency Payments. Until this application was adopted, the exchange of electronic Child Support Payments, on any significant scale, in any format, was impossible. Without this national

standard, which is at the core of the patent in question, the patent application would not have been possible. See Exhibits H, I, and J

**PRAYER FOR RELIEF**

Wherefore Plaintiff PCSO prays for final judgment against Defendant ACS and respectfully requests that this court enter an order finding that :

- A) Defendant purposefully perpetrated fraud on the Patent and Trademark Office for the purpose of securing a fraudulent patent, and has used that patent abusively to drive competitors out of the market place, and find Patents '107 and '669 are unenforceable due to the inequitable conduct of applicant.
- B) Defendant purposefully perpetrated fraud on the Patent and Trademark Office for purposes of securing a fraudulent patent, and has used the patent abusively and predatorily to drive competitors out of the market place, Defendant shall be assessed punitive damages in an amount, to be determined by the court, that would cause Defendant to refrain from such practices in the future.
- C) The invention was known or used by others in this country, and described in multiple printed publications in this country cited herein, before the application for the patent, and the Patent is invalid under Title 35 §§ 102 (a).
- D) The invention was described in a printed publication in this country and used openly and in public more than one year prior to the date of the application for patent in the United States, and the Patent is invalid under Title 35 §§ 102 (b).
- E) The applicant did not himself invent the subject matter sought to be patented, as the transfer of Child Support Payments Nationally would not have been possible without the creation of the Child Support Application Banking Convention developed with

Federal Funds and adopted by the National Automated Clearing House Association and DISA, therefore the Patent is invalid under Title 35 §§ 102 (f).

F) The claims of the patent were already in use in this country by others, including multiple state agencies, who had not abandoned, suppressed, or concealed them. The Patent is invalid under Title 35 §§ 102 (g).

G) The applicant's purported invention is not unique, and is obvious to all skilled in the art of electronic payments, and cannot be misrepresented by use of buzzwords and flowcharts, and Patent is therefore invalid for obviousness.

H) That PCSO be awarded pre and post judgment interest on any punitive damages awarded.

I) That the '669 and '107 Patents be judged invalid.

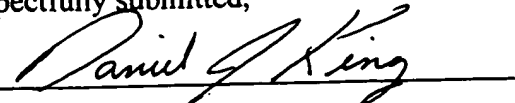
J) That the '669 and '107 Patents be judged unenforceable.

K) That ACS be permanently enjoined from participating in the development, sale, marketing, programming, consulting, outsourcing, transfer or otherwise engaging in the process of electronic child support payments, in the marketplace, in any manner whatsoever, and any such further injunction this court sees fit to order.

L) That PCSO be granted such other and further relief as the equity of the case may require and this Court may deem just and proper, together with the costs and disbursements incurred in this action.

Dated : 6/21/2002

Respectfully submitted,

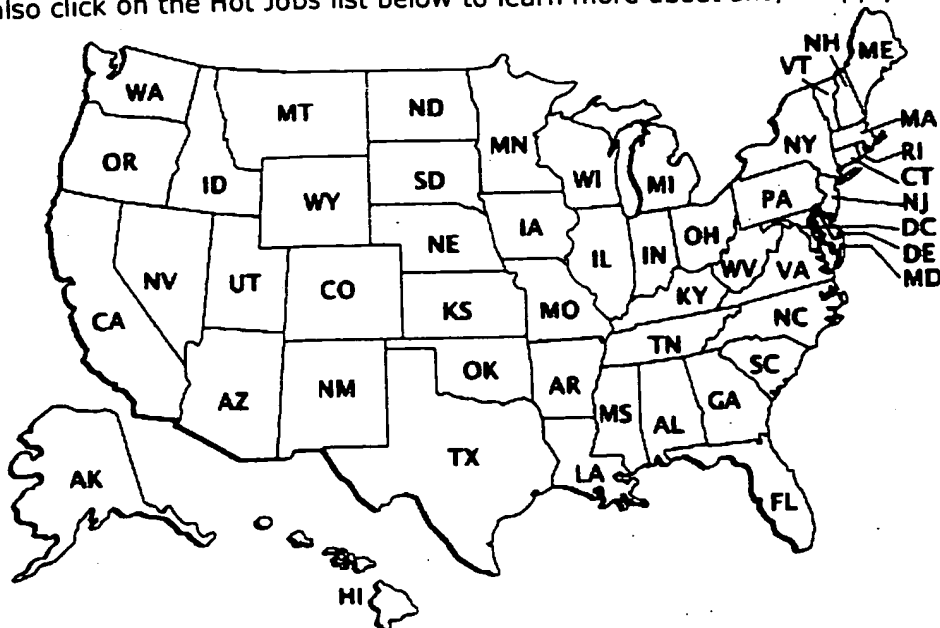
By 

Attorney for Plaintiff  
Daniel J. King, Esq.  
Office :6600 Pleasant Ave, Suite 143  
Richfield MN 55423  
(612)384-1391

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Lexington, KY

ATTACHMENT 1

# Career Opportunities



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Click on the active column to change sort directions (ascending or descending).

Job Title	Location	Date ▲	Req. Number
Quality Manager	Minneapolis ,MN	Jun 13	BPSCENT 5847
Mailroom Manager	Minneapolis ,MN	May 31	BPSCENT 5597
Mail Room Supervisor, Night	Minneapolis ,MN	May 31	BPSCENT 5593
HIPAA Team Lead	Eagan ,MN	Apr 4	St. Paul 4670
Senior Programmer/Analyst	Eagan ,MN	Feb 20	St. Paul 4023

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ATTACHMENT 1a



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## BUSINESS ORGANIZATIONS INQUIRY - VIEW ENTITY

<b>Filing Number:</b>	34512	<b>Entity Type:</b>	Foreign Corporation
<b>Original Date of Filing:</b>	3/21/1986	<b>Entity Status:</b>	Active
<b>Non-profit:</b>		<b>Good Standing:</b>	2001
		(date of last annual filing)	

<b>Name:</b>	ACS STATE & LOCAL SOLUTIONS, INC.
<b>Address:</b>	405 2nd Ave S Mpls, MN, 55401
<b>Home State:</b>	NY

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ATTACHMENT 2

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<b>Filing Number:</b>	223642	<b>Entity Type:</b>	Assumed Name
<b>Original Date of Filing:</b>	6/22/1999	<b>Entity Status:</b>	Active
<b>Entity Date to Expire:</b>	06/22/2009		

**Name:** ACS State & Local Services  
**Address:** 2828 N Haskell Ave Flr 10  
Dallas, TX, 75204

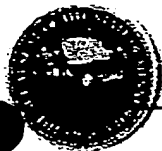
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**FIND ENTITY NAME SEARCH**

This search was performed on 6/19/2002 12:11 with the following search parameter:

**ENTITY NAME :** ACS Stateclick here for [Entity Type ID definitions](#).

Records 201 to 240 of 401

&lt;&lt; Previous

Next &gt;&gt;

<u>ORG ID</u>	<u>Name</u>	<u>Entity Type ID</u>	<u>City</u>	<u>State</u>	<u>Cross Reference</u>
8N-552	A C SOLUTIONS, INC.	DC	Lake St Cr	MN	
176372	A - C Sportswear	AN	St Paul	MN	
223642	ACS State & Local Services	AN	Dallas	TX	
34512	ACS STATE & LOCAL SOLUTIONS, INC.	FC	New York	NY	
3281-LFC	ACS State Healthcare, LLC	LFC			
98363	ACS Systems & Engineering, Inc.	FC			
230525	ACS-Tech80	AN	Mpls	MN	
10X-62	ACS - Tech80 (99) Inc.	DC	Maple Grov	MN	
232173	ACS-Tech80 Inc.	AN	Mpls	MN	
223644	ACS Technical Services	AN	Dallas	TX	
RN-32178	ACS Technologies	RN			
29571-LLC	A C Storage LLC	LLC	Hayfield	MN	
216617	ACS Unclaimed Property Clearinghouse, Inc.	AN	Dallas	TX	
193469	ACS Unlimited	AN	Coon Rapid	MN	
11G-211	AC SUPPLY, INC.	DC	Willmar	MN	
170427	A-C SYSTEMS	AN	Coon Rapid	MN	
5924	ACT	TM			
269528	ACT 1 Personnel Services	AN	Torrance	CA	
4X-218	Actaeon Land Development Corporation	DC	Deephaven	MN	
171921	A.C.T. & S.	AN	Woodbury	MN	
4H-286	ACT Applied Computer Technology, Inc.	DC	Edina	MN	
142924	ACTC	AN	St Paul	MN	
70083	ACTCOM INC.	FC			
10H-601	ACT COMPUTER SERVICES, INC.	DC	Burns Town	MN	
229328	ACT Consulting	AN	Eden Prair	MN	

ATTACHMENTS  
26



3-15-0:  
MA

**FILED**

MAR 15 2002

PER MA  
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**Plaintiff,**

**v.**

**Defendant.**

**CIVIL ACTION NO.:**  
**1:CV 01-2060**

## Judge Sylvia Rambo

## ORDER OF JUDGMENT

After due consideration of the issues raised in the parties' Joint Motion for Entry of Order of Judgment, this Court rules as follows:

**IT IS HEREBY ORDERED:**

**ORIGINAL**

ATTACHMENT 3

1. U.S. Patent No. 6,119,107 is infringed by Eftchildsupport.com, LLC, specifically with regard to asserted claims 1-25. More particularly, Eftchildsupport.com, LLC's methods and systems for processing payments and/or disbursements for child support services, as described at www.eftchildsupport.com, infringe claims 1-25 of U.S. Patent No. 6,119,107.

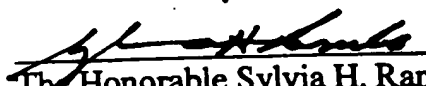
2. U.S. Patent No. 6,119,107 is valid.

3. U.S. Patent No. 6,119,107 is enforceable.

4. Eftchildsupport.com, LLC is enjoined from making, using, selling, and/or offering for sale its methods and systems for processing payments and/or disbursements for child support services, as described at www.eftchildsupport.com, and any other infringing methods or systems no more than colorably different from the infringing methods or systems. This Court's injunction shall apply immediately to preclude Eftchildsupport.com, LLC from offering its infringing methods and systems to new customers. To facilitate transition for existing customers, the injunction shall allow Eftchildsupport.com, LLC to continue service for such customers through no later than July 31, 2002, at which time Eftchildsupport.com, LLC must terminate the infringing website at www.eftchildsupport.com and cease all accused activity.

5. This Court shall retain jurisdiction over the parties for the purpose of ensuring compliance with this Order of Judgment until September 1, 2002.

Dated: 3/15/02

  
The Honorable Sylvia H. Rambo  
United States District Court for the  
Middle District of Pennsylvania

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## Press Releases

### ACS, Tier Announce Child Support Payment Processing Teaming Agreement

WALNUT CREEK, Calif., Nov. 16, 2001 – Dallas-based ACS (NYSE:ACS), a leading provider of business process and information technology outsourcing solutions to commercial and government clients worldwide, and Tier Technologies, Inc. (NASDAQ:TIER), a vertically focused, business and information technology consulting firm, announced the formation of a teaming agreement to jointly pursue child support state disbursement unit (SDU) contracts.

The two-year agreement will specifically focus on three large state opportunities—California, Ohio and Illinois, to enable those states to benefit from both companies' best practices and to offer a more comprehensive level of service. The agreement allows the parties to offer these large state processing operations extended capabilities including expanded data integrity and customer service offerings. Together, the two companies will pursue these opportunities in a market that is estimated to be as large as \$450 million.

"This landmark agreement allows each of us to bring to these potential state clients the best practices and operating experiences we provide for similar state clients today. Between our companies, we currently support 25 states with their child support payment processing needs. We believe that this agreement will allow us to better meet the specific needs of these three large state opportunities which we expect to see coming up in the next 6-24 months," said James L. Bildner, Tier's Chairman and Chief Executive Officer. "ACS is a highly respected provider of services and I am delighted to join forces on these important initiatives," he continued.

"As a recognized leader in the market, ACS believes Tier can add to our domain expertise and operating capabilities in this important market," said John Brophy, President of ACS' State and Local Government Group. "I believe our team can deliver the best and most cost effective solution to these large, near term opportunities."

#### ABOUT ACS

ACS, a Fortune 1000 company with more than 30,000 people in 29 countries, provides business process and technology outsourcing solutions to world-class commercial and government clients. ACS is a leading provider of child support payment processing operations with contracts in twelve states and one large metropolitan area. ACS processes more than 40% of the nation's child support payments. The company's Class A common stock trades on the New York Stock Exchange under the symbol "ACS". ACS makes technology work. Visit ACS on the Internet at <http://www.acs-inc.com>.

ATTACHMENT 4

## ABOUT TIER

Tier is a vertically-focused global consulting firm that provides business and information technology consulting, application development including e-commerce, software engineering services, vertical application service centers, systems and technology training, business process outsourcing and business process reengineering for its clients. Tier, a California-based company, is active in over twenty U.S. states. The company provides child support payment processing to eight states, and processes nearly \$3 billion per year in child support payments. Tier licenses its proprietary child support payment processing application to five additional states. Tier brings specific industry knowledge, proven delivery capability and proprietary applications to its client relationships. The combination of expertise and capability allow Tier to provide solutions that link increased operating efficiencies with systems and technology improvements. Tier serves Fortune 1000 companies and government entities through its offices in the United States, Australia and the United Kingdom.

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements include, but are not limited to, statements regarding opportunities for the Companies in California, Ohio and Illinois, and other statements regarding matters that are not historical facts.

Such forward-looking statements involve risks and uncertainties; consequently, actual results may differ materially from those expressed or implied thereby. Factors that could affect actual results include the Companies' inability to win contract awards or conclude final contract negotiations on notices of award; risks associated with the failure to obtain new contracts or contract renewals; revisions to mandated statutes including changes to the timing of required compliance; adverse economic conditions in the vertical and geographic markets the Companies serve; failure to achieve anticipated gross margin levels with respect to individual contracts; the possible termination of projects by major clients or strategic partners; variations in the timing, initiation or completion of client assignments; unanticipated costs incurred in fixed-price projects; the Companies' dependence on a limited number of large clients; the Companies' ability to recruit, train and retain consultants and key personnel; the failure to successfully integrate acquisitions in the Companies; the Companies' ability to effectively manage growth and acquisitions; risks associated with rapid technological advances; risks associated with international operations, including unanticipated unfavorable changes in exchange rates; the failure of the Companies' marketing and branding efforts to achieve expected results; and other risk factors listed from time to time in the Companies' filings and reports with the Securities and Exchange Commission, including each Company's most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q. The forward-looking statements contained in this press release are made as of the date hereof, and neither Company assumes any obligation to update these statements or the reasons why actual results could differ materially from those projected in these statements.

Contact:

For ACS:

Kathleen Dezio, 202/414-3688

Mark R. Maddox, 202/414-3567

or

For Tier Technologies, Inc.

Lori E. DePole

*ATTACHMENT 4a*

**King, Daniel**

---

**From:** Don Atwell [DATwell@Tier.com]  
**Sent:** Friday, May 24, 2002 8:31 AM  
**To:** Daniel King  
**Subject:** FW: Product similar to ExpertPay

-----Original Message-----

**From:** Harry Wiggins  
**Sent:** Friday, May 24, 2002 7:31 AM  
**To:** Don Atwell  
**Subject:** FW: Product similar to ExpertPay

Dan needs to contact the sec of states office in MI and get this resolved today, he is about to be sued by ACS for a patent infingement and if that happens....He needs to resign from the company and advise the sec of state he is no longer involved, I need to see copies of the letters he sends,

HWW

-----Original Message-----

**From:** Polk, John [mailto:john.polk@acs-inc.com]  
**Sent:** Friday, May 24, 2002 7:25 AM  
**To:** hwiggins@tier.com  
**Subject:** FW: Product similar to ExpertPay

Harry

I wanted you to have this for whatever you deem appropriate, We have checked out this web site with a private investigative firm and they report,

Last week, we checked with the Secretary of State's office in Michigan, and the corporate documents all list "Dan King" as the President and CEO.

ATTACHMENTS

**Daniel King**

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**From:** Polk, John [john.polk@acs-inc.com]  
**Sent:** Monday, June 10, 2002 7:21 AM  
**To:** daniel.king@paychildsupportonline.com  
**Cc:** Bevilacqua, Nicholas  
**Subject:** RE: ACS & Pay Child Support Online - Pre-litigation Settlement  
**Sensitivity:** Confidential

Dan

I am forwarding this message to our in-house counsel, Nick Bevilacqua.

Nick will contact you directly.

John

-----Original Message-----

**From:** Daniel King [mailto:daniel.king@paychildsupportonline.com]  
**Sent:** Sunday, June 09, 2002 8:51 PM  
**To:** john.polk@acs-inc.com  
**Subject:** ACS & Pay Child Support Online - Pre-litigation Settlement  
**Importance:** High  
**Sensitivity:** Confidential

Hello John,

It has been made clear to me that ACS will soon be pursuing litigation against Pay Child Support Online (PCSO) alleging patent infringement - if not already.

I believe it is in the best interests of both Companies to avoid litigation. ACS has a lot at stake (i.e. long term market goals, patent validity), as does PCSO (i.e. existence).

In an attempt to avoid litigation, as holder of the patent at issue, would you be the person to discuss settlement options, or is there someone else at ACS that I should contact?

Daniel King

President  
Pay Child Support Online

ATTACHMENT 6

6/11/2002

6/10/02

To the Board of Directors of Pay Child Support Online Inc,

Daniel King hereby resigns as President of Pay Child Support Online Inc, effective immediately.

*Daniel King*  
6/10/02

CC: Harry W. Wiggins

ATTACHMENT 7



\*\*\*\*\*  
\*\*\* TX REPORT \*\*\*  
\*\*\*\*\*

TRANSMISSION OK

TX/RX NO	2541
CONNECTION TEL	816177370559
SUBADDRESS	
CONNECTION ID	TIER TECHNOLOGIE
ST. TIME	06/10 16:05
USAGE T	00'13
PGS. SENT	1
RESULT	OK

6/10/02

To the Board of Directors of Pay Child Support Online Inc,

Daniel King hereby resigns as President of Pay Child Support Online Inc, effective immediately.

*Daniel King*  
6/10/02

CC: Harry W. Wiggins

ATTACHMENT 7a

**Daniel King**

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**From:** Daniel King [daniel.king@paychildsupportonline.com]  
**Sent:** Monday, June 10, 2002 6:37 PM  
**To:** Bevilacqua, Nicholas  
**Subject:** RE: ACS & Pay Child Support Online - Pre-litigation Settlement  
**Sensitivity:** Confidential

For any discussions, please contact Chuck.hill@paychildsupportonline.com

-----Original Message-----

**From:** Polk, John [mailto:john.polk@acs-inc.com]  
**Sent:** Monday, June 10, 2002 7:21 AM  
**To:** daniel.king@paychildsupportonline.com  
**Cc:** Bevilacqua, Nicholas  
**Subject:** RE: ACS & Pay Child Support Online - Pre-litigation Settlement  
**Sensitivity:** Confidential

Dan

I am forwarding this message to our in-house counsel, Nick Bevilacqua.

Nick will contact you directly.

John

-----Original Message-----

**From:** Daniel King [mailto:daniel.king@paychildsupportonline.com]  
**Sent:** Sunday, June 09, 2002 8:51 PM  
**To:** john.polk@acs-inc.com  
**Subject:** ACS & Pay Child Support Online - Pre-litigation Settlement  
**Importance:** High  
**Sensitivity:** Confidential

Hello John,

It has been made clear to me that ACS will soon be pursuing litigation against Pay Child Support Online (PCSO) alleging patent infringement - if not already.

I believe it is in the best interests of both Companies to avoid litigation. ACS has a lot at stake (i.e. long term market goals, patent validity), as does PCSO (i.e. existence).

In an attempt to avoid litigation, as holder of the patent at issue, would you be the person to discuss settlement options, or is there someone else at ACS that I should contact?

Daniel King

President  
Pay Child Support Online

*ATTACHMENTS 76*



June 17, 2002

Mr. Daniel King  
6600 Pleasant Avenue, #143  
Richfield, MN 55423

Dear Dan:

Based upon your conversation of today, Monday, June 17, 2002, with Mr. Don Atwell, we hereby wish to confirm with you that your employment with Tier Technologies Inc. will be terminated as of June 17, 2002. The last day that you are required to report to work is today Monday, June 17, 2002.

Please be advised that we will release your final salary payment inclusive of any accrued but untaken vacation as of your date of termination to the above address today, June 17, 2002.

Should you have any outstanding expense claims in your possession, I would be grateful if you would submit them to Mr. Don Atwell for consideration as soon as possible.

Please return any Tier equipment, keys, access cards, documentation, and related hard and soft copy files in your possession prior to your departure today, June 17, 2002.

You are required to abide by the terms and conditions of your non-disclosure and proprietary/confidential information agreement/non-competition agreement signed during your employment with Tier.

Please also find attached a benefits termination summary that will explain the treatment of your benefits following termination of employment. A copy of this summary will be mailed to the above address with supporting documentation.

Tier Technologies' HR department is available to assist you with any benefit related questions or concerns that you may have. Please feel free to contact Ms. Faye Nelson at 1-800-789-8437 ext. 106.

Yours sincerely,

*For Paul S. Bouwmeester*

Paul Bouwmeester  
Tier Human Resources

Enclosure

*ATTACHMENT 8*